**Practice Questions:**

*1. You are a director of public Company XYZ, which is undergoing a sale of shareholders’ shares (or “tender offer”). You are asked to consult about wireless handset trends, which you have knowledge of from a prior, unrelated position. Can you consult?*

**No.** While the subject itself does not present a direct conflict of interest, PI’s Terms and Conditions state: “If a public company of which you are a director, officer or other employee is the subject of a tender offer, you must decline all invitations to consult on any Projects while the tender offer process is taking place.”

*2. You are the CEO of a private consulting firm and have never been employed by or engaged in any relationship with the company in discussion. After a lengthy discussion about general industry trends and your valued opinions on the industry and company, you have formed a positive outlook on the stock.  Since it is purely your opinion, which is not informed by any proprietary information, can you give your broad recommendation?*

**No.**PI’s Terms and Conditions state: “Contributors are expressly prohibited from providing investment judgment or financial or legal advice, including, but not limited to, rating or recommending any security, providing advice as to the value of any security, or providing any advice regarding the advisability of investing in, purchasing, or selling any security.”

*3. You learn of upcoming entry by your company into a brand new product line, the details surrounding which have not been made public. Can you talk about it?*

**No.** PI’s Terms and Conditions state: “You must not disclose trade secrets or other proprietary or confidential information, including any material, non-public information (or similar concepts as defined under any applicable law or regulation) of an employer or other person or entity.”

*4. You learn of upcoming entry by your company into a brand new product line, the details surrounding which have not been made public.  During the course of a consultation, you inadvertently disclose this information.  Realizing this error, should you continue to consult?*

**No.**PI’s Terms and Conditions state:  “Should you become concerned with the nature of any inquiry by one of our Clients or whether your participation in a Project could result in a violation of any law, regulation, agreement, Primary Insight policy or other obligation you may have, you should discontinue your participation in the Project and notify us immediately.”

*5. During the course of a consultation, Client XYZ mentions their research findings on the product quality of Company XYZ.  Can you share the client’s name and/or this information with friends?*

**No.** PI’s Terms and Conditions state: “You may not, except to the extent required by applicable law (with prior notice to Primary Insight and the Client), communicate or divulge any information which Primary Insight or a Client considers confidential, including, but not limited to, the existence, nature and contents of proposed or actual consultations, surveys or other consulting Projects with Clients or the names of Clients.”

*6. You are an industry expert on quick service restaurant franchises, and have compiled numerous research reports throughout the years. You want to make sure that you brush up on all of your work, since the client has selected you based on your expertise with these reports. You spend two hours before the consultation examining your previous work, and the consultation goes very well. Can you invoice Primary Insight for the time spent reviewing your work?*

**No. Unless prior permission is obtained,**“You may only charge for the time you are present on the conference call or in the meeting, as applicable. You may not charge for any time you spend doing research or otherwise preparing for a meeting or conference call.” (Terms and Conditions)